DOCUMENT RESUME

ED 285 475 HE 020 617

TITLE	Financing Higher Education. Examples Comparing Existing and Proposed Student Aid Programs. United States General Accounting Office Fact Sheet for the Chairman, Subcommittee on Labor, Health, and Human Services, Education, and Related Agencies, Committee on Appropriations, United States Senate.
INSTITUTION	General Accounting Office, Washington, D.C.
REPORT NO	GAO-HRD-87-88FS
PUB DATE	Apr 87
NOTE	28p.
PUB TYPE	Reports - Descriptive (141)
EDRS PRICE	MF01/PC02 Plus Postage.
DESCRIPTORS	*College Students; Eligibility; *Federal Aid; Financial Needs; Financial Policy; Grants; Higher Education; Income; *Loan Repayment; Student Costs; *Student Financial Aid; *Student Loan Programs
IDENTIFIERS	*Debt (Financial); *Paying for College

ABSTRACT

Federal student financial aid programs were compared with programs proposed by the Reagan Administration in the Department of Education's fiscal year 1988 budget. Of concern were: total aid received by a student, the portions provided as grants and loans, and the portion of the student's postgraduation income that would be required to repay the loans for a range of income levels. Student records were obtained for 57 freshmen receiving federal aid, within a range of family incomes, enrolled in four schools in Florida. To illustrate students' financial aid packages and repayment patterns, 12 students were compared on: total costs of school; projected financial aid needs and resulting debt burden; and the estimated time it would take to repay student loans under different postgraduation income assumptions. It was found that under the administration's proposal, less aid would be provided, and there would be a shift from grants to loans and consequently higher debt burdens for students. With enactment of the Income Contingent Loan Program, graduates who work in higher pay occupations would pay higher monthly payments and would repay their loans faster and with less total interest cost than those in lower paying occupations. Data tables for the 12 students and five statistical figures comprise the bulk of the document. (SW)

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Fact Sheet for the Chairman, Subcommittee on Labor, Health and Human Services, Education, and Related Agencies, Committee on Appropriations, United States Senate

April 1987

ED285475

FINANCING HIGHER EDUCATION

Examples Comparing Existing and Proposed Student Aid Programs

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
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United States
General Accounting Office
Washington, D.C. 20548

Human Resources Division

B-204708

April 22, 1987

The Honorable Lawton Chiles
Chairman, Subcommittee on Labor,
Health and Human Services,
Education, and Related Agencies
Committee on Appropriations
United States Senate

Dear Mr. Chairman:

On April 8, 1987, your office requested that we compare existing federal financial assistance programs available under title IV of the Higher Education Act, as amended, with programs proposed by the administration in the Department of Education's fiscal year 1988 budget. Specifically we were requested to compare (1) the total aid received by a student, (2) the portions provided as grants and loans, and (3) the portion of the student's postgraduation income that would be required to repay the loans for a range of income levels.

As requested, we obtained student records for 57 freshmen students, within a range of family incomes, enrolled in four schools in Florida. We judgmentally selected 12 of these students for our comparisons. Using their current financial aid packages, we computed their total costs of school, projected their financial assistance needs (including grants and loans) and resulting debt burden, and estimated how long it would take them to repay their student loans under different postgraduation income assumptions.

Our information showed that under the administration's proposal, less aid would be provided, and there would be a shift from grants to loans, which would result in larger debt burdens for students upon graduation. This would be especially true for students at schools with higher tuition. Also, with implementation of the Income Contingent Loan Program, graduates who work in higher paying occupations, such as engineering, would pay higher monthly payments and would repay their loans faster and with less total interest cost than those in lower paying occupations, such as social work.

We discussed our methodology with representatives of the Department of Education and the National Association of Student Financial Aid Administrators. We also consulted with an education finance expert from the American Council on Education on the scope and methodology we used in making our analysis.

As arranged with your office, we will send copies of this fact sheet to the Chairman, Subcommittee on Labor, Health and Human Services, and Education, House Committee on Appropriations; the Department of Education; and other interested parties and make copies available to others on request. Should you need additional information on the contents of this fact sheet, please call me on 275-5365.

Sincerely yours,

William J. Gainer

William J. Gainer
Associate Director

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ABBREVIATIONS

CWS	College Work Study
GSL	Guaranteed Student Loan
ICL	Income Contingent Loan
NDSL	National Direct Student Loan
PLUS	Parent Loans
SEOG	Supplemental Grants
SSIG	State Student Incentive Grant

FINANCING HIGHER EDUCATION:

EXAMPLES COMPARING EXISTING AND PROPOSED STUDENT AID PROGRAMS

In its fiscal year 1988 Department of Education budget, the administration proposed several major changes to the way federal financial assistance is to be provided to students pursuing a higher (postsecondary) education. A major item in the proposal was to significantly expand the Income Contingent Loan (ICL) Program currently being implemented on a demonstration basis. The ICL program is different from the current program in that it (1) capitalizes (i.e., accrues) interest on student loans while the student is in school and during the grace period (time from graduation until repayment begins, 9 months in the proposal), and (2) establishes loan repayment schedules dependent upon the student's income after completing school (higher income graduates would repay larger amounts than lower income graduates). The administration also proposed several other changes to existing financial aid programs.

Existing assistance to students

The major financial aid programs through which the federal government assists college students consist of Pell Grants, Supplemental Educational Opportunity Grants, College Work Study, National Direct (Perkins) Student Loans, State Student Incentive Grants (SSIG), and Guaranteed Student Loans. During fiscal year 1986, federal appropriations for these programs totaled about $8 billion, and provided 5.1 million college students $13.7 billion in financial assistance.

Proposed assistance to students

The administration's proposal would eliminate further federal funding for College Work Study, State Student Incentive Grants, and Supplemental Educational Opportunity Grants. The proposal would maintain, with certain modifications, Pell Grants and Guaranteed Student Loans. The Income Contingent Loan Program would begin to replace National Direct Student Loans. The budget requested $4.5 billion in federal appropriations for fiscal year 1988 to operate these programs, and anticipated making available $13 billion in financial aid to 4.7 million students.

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

We were requested to illustrate the potential impact of the administration's fiscal year 1988 budget proposals on the (1) proportion of student financial aid provided in the form of loans, (2) costs of loans to students, and (3) proportion of

students' incomes that would be required to repay the loans for a range of postgraduation income levels.

Scope

At the request of the Chairman, Subcommittee on Labor, Health and Human Services, Education, and Related Agencies, Senate Committee on Appropriations, we:

-- Selected 57 freshmen attending four Florida schools who are receiving federal student financial aid.

-- Projected the aid for 4 years of college (2 years in the case of a junior college) assuming (a) the programs continue to operate as they are now, and (b) the administration's proposed changes are adopted.

-- Computed debt burdens and repayment streams under several future student income scenarios.

The following four Florida schools were judgmentally selected to give a cross-section of typical higher education institutions and student characteristics.

-- University of Florida: Major public university; comprehensive undergraduate, graduate, and professional programs; among highest cost public institutions in Florida.

-- University of Miami: Major private university; comprehensive undergraduate, graduate, and professional programs; among highest cost private institutions.

-- Bethune-Cookman College: Relatively small, predominately black, private liberal arts college; 4 years; among lowest cost private colleges in Florida.

-- Miami-Dade Junior College: Among the largest 2-year colleges in nation; part of state community college system; full program of preparatory courses for degree, specialized programs; among lowest cost public colleges in Florida.

At our request, officials of each school selected dependent freshman student financial aid packages. We requested five cases each in three family income categories: $10,000 - $15,000, $25,000 - $30,000, and $40,000 - $45,000. Officials were asked to pull the files and provide the following documentation:

-- Parents' marital status, number of children, number of children in school.

-- Adjusted gross income using the Department of Education's uniform methodology for campus-based programs.

-- Expected family contributions to the student's cost of education.

-- Cost of education (tuition, fees, room, board, books, transportation, incidentals).

-- Students' total financial needs (cost of education less expected family contributions).

-- Financial aid received, including federal (Pell Grant, College Work Study (CWS), Supplemental Grants (SEOG), National Direct Student Loans (NDSL), Guaranteed Student Loans (GSL), and Parent Loans (PLUS)), state, institutional, and other assistance.

-- Remaining unmet need (total need less aid received).

Our verification was limited to a comparison of data received with the individuals' records in the schools' financial aid systems. We also verified basic computations to ensure mathematical accuracy. We did not verify the accuracy of the formulas applied or whether the students actually received the funds.

School officials were asked to select files that would provide a range of circumstances (including students' sex and race, marital status of parents, number of siblings, types of financial aid received) within each income category.

We obtained the data through site visits on April 13-14, 1987.

All schools except Miami-Dade provided 15 cases as requested. Miami-Dade (which had to accumulate data from several campuses) provided 12 cases (5 in the $10,000-$15,000 range, 6 in the $25,000-$30,000 range, and 1 in the $40,000-$45,000 range). Time did not permit our obtaining additional cases. Also, none of the cases contained GSLs, since a low percentage of students at Miami-Dade (about 1,500 of over 11,000 receiving aid) obtain GSLs. Also, many are independent students and/or were not enrolled on a campus we visited.

From the 57 cases, we judgementally selected 12 cases for comparison. We selected 3 cases from each school, 1 for each of the 3 family income ranges, that would illustrate different students' financial aid packages and repayment patterns.

Methodology

We projected the anticipated financial aid for each of the 12 students for 4 years of undergraduate school. Our projections were grouped according to the "current" programs and the administration's "proposed" programs, subject to the following assumptions and limitations.

-- Pell Grants would continue under the proposed program as currently designed, except that grants would not be available to students with family incomes over $20,000 a year.

-- CWS and SEOG would not be available under the proposed program.

-- NDSL would not be available as such under the proposed program, but would become a part of the new ICL.

-- State grants would continue as they are, even with the proposed loss of SSIG funding.

-- Students' patterns of selecting aid would remain the same. They would obtain the same amounts of aid (subject to inflation allowances) as in the past, and in the same order of priority: grants, work-study, GSLs, then other repayable types of aid, such as NDSLs and ICLs. Remaining unmet need would continue as such, since we assumed that students would not borrow additional funds to cover unmet need.

-- GSLs' availability would be $2,500 a year for first 2 years and $4,000 a year for the other 2 years. Interest was not capitalized for the in-school and grace periods, and the loans would be repaid in 10 years after the grace period.

-- ICLs' availability would be $4,000 a year for first 2 years and $5,000 a year for next 2 years.

-- PLUS loans did not enter into our comparisons because no assumptions were made for parent borrowing.

-- Family income levels were estimated to increase 4 percent a year due to inflation.

-- Individual occupations' income figures were obtained from the Bureau of Labor Statistics as of 1986, and were adjusted for inflation to account for the time until the student graduates.

-- In addition to inflation, occupation income is expected to increase due to raises and promotions at the following rates: first 10 years--3.7 percent per year for a total of 44 percent; second 10 years--1.6 percent per year for a total of 17 percent; and third 10 years--0.4 percent per year for a total of 4 percent.

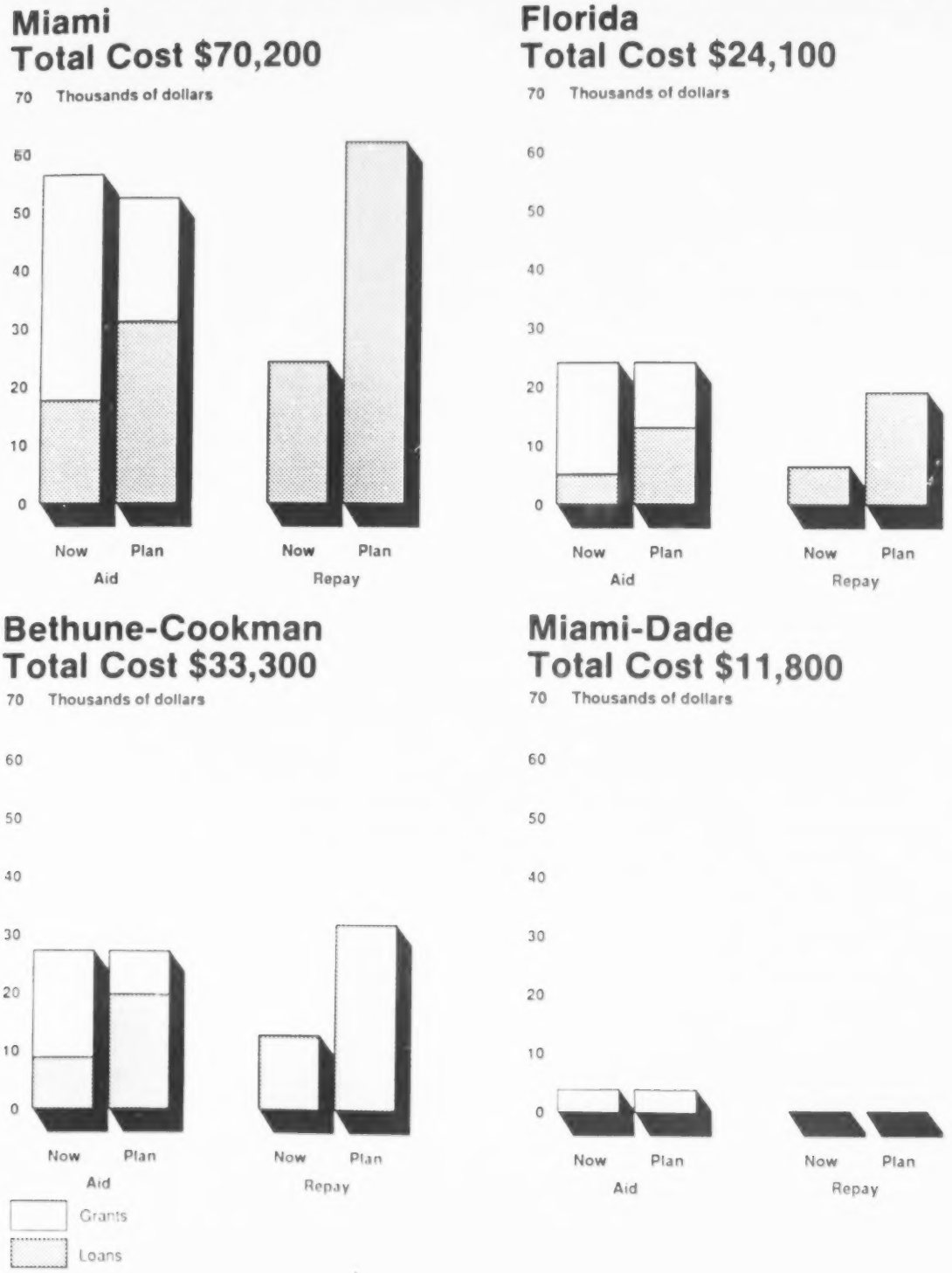
-- College costs were estimated to increase by 6 percent a year.

-- Interest rate assumptions for the various loan programs were GSL, 8 percent; ICL, 9 percent; NDSL, 5 percent.

-- GSLs and ICLs would be repaid individually and would not be consolidated.

Figure 1:

STUDENT AID & REPAYMENT FAMILY INCOME: $10,000 TO $15,000



UNIVERSITY OF FLORIDA STUDENT

STUDENT AND FAMILY CHARACTERISTICS

- o 4-year, public institution
- o Dependent freshman student
- o Family income: $13,210
- o 2 family members, 1 in college
- o Parents' marital status: Divorced

COMPARISON OF NEED AND AID RECEIVED UNDER CURRENT AND PROPOSED PROGRAMS

	1986-87 (actual)	4-year total	
		Current	Proposed
Cost of school	$5,520	$24,148	$24,148
Expected family contribution	58	254	254
Total need	5,462	23,894	23,894
Total student aid	5,462	23,894	23,894
Remaining (unmet) need	0	0	0

EFFECTS OF PROPOSED CHANGES ON AID RECEIVED

	1986-87 (actual)	4-year total	
		Current	Proposed
Pell Grant	$1,550	$ 6,781	$ 6,781
Supplemental Grant	0	0	0
Perkins Loan	1,130	4,943	0
College Work Study	1,812	7,927	0
Guaranteed Student Loan	0	0	11,810
Income Contingent Loan	0	0	1,060
State grant	970	4,243	4,243
State voucher	0	0	0
Institutional aid	0	0	0
Private aid	0	0	0
Totals	$5,462	$23,894	$23,894

EFFECTS OF PROPOSED CHANGES ON DEBT BURDENS

	Current	Proposed
Total loans	$ 4,943	$12,870
Loans as a percent of total aid	20.7	53.9
Projected total loan repayments:		
High entry salary ($32,639)	$ 6,291	$18,899
Low entry salary ($17,702)	$ 6,291	$18,913

BETHUNE-COOKMAN COLLEGE STUDENT

STUDENT AND FAMILY CHARACTERISTICS

- o 4-year, private institution
- o Dependent freshman student
- o Family income: $11,821
- o 2 family members, 1 in college
- o Parents' marital status: Divorced

COMPARISON OF NEED AND AID RECEIVED UNDER CURRENT AND PROPOSED PROGRAMS

	1986-87 (actual)	4-year total	
		Current	Proposed
Cost of school	$ 7,626	$33,361	$33,361
Expected family contribution	700	3,062	3,062
Total need	6,926	30,299	30,299
Total student aid	6,190	27,079	27,079
Remaining (unmet) need	736	3,220	3,220

EFFECTS OF PROPOSED CHANGES ON AID RECEIVED

	1986-87 (actual)	4-year total	
		Current	Proposed
Pell Grant	$ 1,690	$ 7,393	$ 7,393
Supplemental Grant	1,200	5,250	0
Perkins Loan	0	0	0
College Work Study	1,300	5,687	0
Guaranteed Student Loan	2,000	8,749	13,000
Income Contingent Loan	0	0	6,686
State grant	0	0	0
State voucher	0	0	0
Institutional aid	0	0	0
Private aid	0	0	0
Totals	$ 6,190	$27,079	$27,079

EFFECTS OF PROPOSED CHANGES ON DEBT BURDENS

	Current	Proposed
Total loans	$ 8,749	$19,686
Loans as a percent of total aid	32.3	72.7
Projected total loan repayments:		
High entry salary ($32,639)	$12,738	$30,282
Low entry salary ($17,702)	$12,738	$31,883

UNIVERSITY OF MIAMI STUDENT

STUDENT AND FAMILY CHARACTERISTICS

- o 4-year, private institution
- o Dependent freshman student
- o Family income: $10,165
- o 6 family members, 1 in college
- o Parents' marital status: Married

COMPARISON OF NEED AND AID RECEIVED UNDER CURRENT AND PROPOSED PROGRAMS

	1986-87 (actual)	4-year total Current	4-year total Proposed
Cost of school	$16,053	$70,226	$70,226
Expected family contribution	1,284	5,617	5,617
Total need	14,769	64,609	64,609
Total student aid	12,833	56,115	52,132
Remaining (unmet) need	1,936	8,494	12,477

EFFECTS OF PROPOSED CHANGES ON AID RECEIVED

	1986-87 (actual)	4-year total Current	4-year total Proposed
Pell Grant	$ 2,050	$ 8,868	$ 8,968
Supplemental Grant	2,000	8,749	0
Perkins Loan	1,500	6,562	0
College Work Study	2,000	8,749	0
Guaranteed Student Loan	2,500	10,912	13,000
Income Contingent Loan	0	0	17,989
State grant	0	0	0
State voucher	0	0	0
Institutional aid	2,783	12,175	12,175
Private aid	0	0	0
Totals	$12,833	$56,015	$52,132

EFFECTS OF PROPOSED CHANGES ON DEBT BURDENS

	Current	Proposed
Total loans	$17,474	$30,989
Loans as a percent of total aid	31.2	59.4
Projected total loan repayments:		
High entry salary ($32,639)	$24,239	$53,007
Low entry salary ($17,702)	$24,239	$61,539

MIAMI-DADE JUNIOR COLLEGE STUDENT

STUDENT AND FAMILY CHARACTERISTICS

- o 2-year, public institution
- o Dependent freshman student
- o Family income: $12,000
- o 4 family members, 3 in college
- o Parents' marital status: Separated

COMPARISON OF NEED AND AID RECEIVED UNDER CURRENT AND PROPOSED PROGRAMS

	1986-87 (actual)	2-year total Current	2-year total Proposed
Cost of school	$ 5,748	$11,841	$11,841
Expected family contribution	763	1,572	1,572
Total need	4,985	10,269	10,269
Total student aid	1,770	3,646	3,646
Remaining (unmet) need	3,215	6,623	6,623

EFFECTS OF PROPOSED CHANGES ON AID RECEIVED

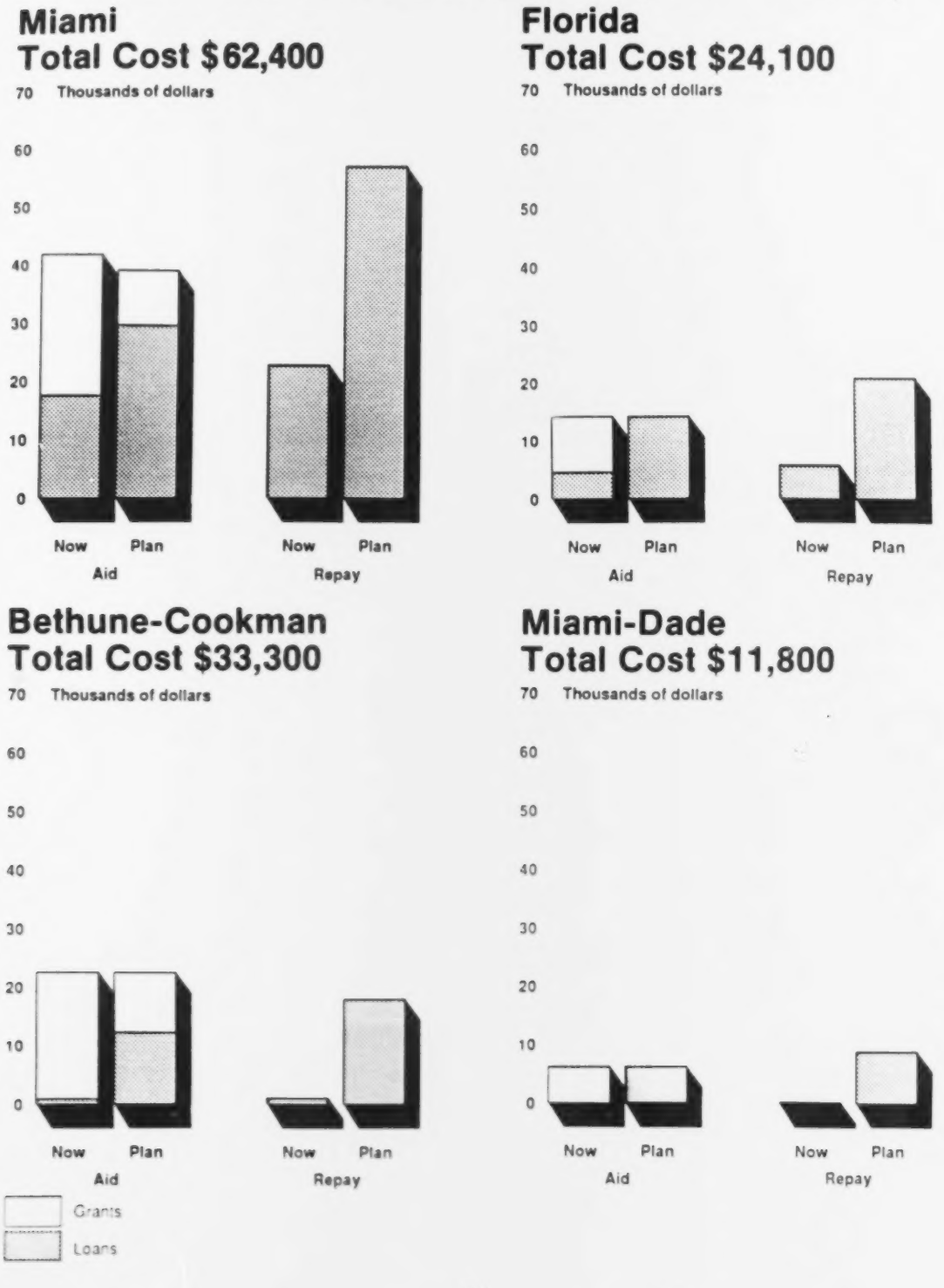
	1986-87 (actual)	2-year total Current	2-year total Proposed
Pell Grant	$ 1,770	$ 3,646	$ 3,646
Supplemental Grant	0	0	0
Perkins Loan	0	0	0
College Work Study	0	0	0
Guaranteed Student Loan	0	0	0
Income Contingent Loan	0	0	0
State grant	0	0	0
State voucher	0	0	0
Institutional aid	0	0	0
Private aid	0	0	0
Totals	$ 1,770	$ 3,646	$ 3,646

EFFECTS OF PROPOSED CHANGES ON DEBT BURDENS

	Current	Proposed
Total loans	0	0
Loans as a percent of total aid	0	0
Projected total loan repayments:		
High entry salary ($32,639)	0	0
Low entry salary ($17,702)	0	0

Figure 2:

STUDENT AID & REPAYMENT
FAMILY INCOME: $25,000 TO $30,000



UNIVERSITY OF FLORIDA STUDENT

STUDENT AND FAMILY CHARACTERISTICS

- o 4-year, public institution
- o Dependent freshman student
- o Family income: $27,613
- o 3 family members, 2 in college
- o Parents' marital status: Divorced

COMPARISON OF NEED AND AID RECEIVED UNDER CURRENT AND PROPOSED PROGRAMS

	1986-87 (actual)	4-year total	
		Current	Proposed
Cost of school	$ 5,520	$24,148	$24,148
Expected family contribution	2,268	9,922	9,922
Total need	3,252	14,226	14,226
Total student aid	3,202	14,007	14,007
Remaining (unmet) need	50	219	219

EFFECTS OF PROPOSED CHANGES ON AID RECEIVED

	1986-87 (actual)	4-year total	
		Current	Proposed
Pell Grant	0	0	0
Supplemental Grant	$ 916	$ 4,007	0
Perkins Loan	1,012	4,427	0
College Work Study	1,274	5,573	0
Guaranteed Student Loan	0	0	$12,411
Income Contingent Loan	0	0	1,596
State grant	0	0	0
State voucher	0	0	0
Institutional aid	0	0	0
Private aid	0	0	0
Totals	$ 3,202	$14,007	$14,007

EFFECTS OF PROPOSED CHANGES ON DEBT BURDENS

	Current	Proposed
Total loans	$ 4,427	$14,007
Loans as a percent of total aid	31.6	100.0
Projected total loan repayments:		
High entry salary ($32,639)	$ 5,635	$20,694
Low entry salary ($17,702)	$ 5,635	$20,748

BETHUNE-COOKMAN COLLEGE STUDENT

STUDENT AND FAMILY CHARACTERISTICS

- o 4-year, private institution
- o Dependent freshman student
- o Family income: $25,691
- o 5 family members, 1 in college
- o Parents' marital status: Married

COMPARISON OF NEED AND AID RECEIVED UNDER CURRENT AND PROPOSED PROGRAMS

	1986-87 (actual)	4-year total	
		Current	Proposed
Cost of school	$ 7,626	$33,361	$33,361
Expected family contribution	1,440	6,299	6,299
Total need	6,186	27,062	27,062
Total student aid	5,130	22,442	22,442
Remaining (unmet) need	1,056	4,620	4,620

EFFECTS OF PROPOSED CHANGES ON AID RECEIVED

	1986-87 (actual)	4-year total	
		Current	Proposed
Pell Grant	$ 430	$ 1,881	$ 1,451
Supplemental Grant	1,200	5,250	0
Perkins Loan	0	0	0
College Work Study	1,300	5,687	0
Guaranteed Student Loan	0	824	11,479
Income Contingent Loan	0	0	712
State grant	1,200	4,800	4,800
State voucher	1,000	4,000	4,000
Institutional aid	0	0	0
Private aid	0	0	0
Totals	$ 5,130	$22,442	$22,442

EFFECTS OF PROPOSED CHANGES ON DEBT BURDENS

	Current	Proposed
Total loans	$ 824	$12,191
Loans as a percent of total aid	3.7	54.3
Projected total loan repayments:		
High entry salary ($32,639)	$ 6,000	$17,848
Low entry salary ($17,702)	$ 6,000	$17,851

UNIVERSITY OF MIAMI STUDENT

STUDENT AND FAMILY CHARACTERISTICS

- o 4-year, private institution
- o Dependent freshman student
- o Family income: $27,190
- o 6 family members, 1 in college
- o Parents' marital status: Married

COMPARISON OF NEED AND AID RECEIVED UNDER CURRENT AND PROPOSED PROGRAMS

	1986-87 (actual)	4-year total	
		Current	Proposed
Cost of school	$14,263	$62,395	$62,395
Expected family contribution	717	3,137	3,137
Total need	13,546	59,258	59,258
Total student aid	9,537	41,696	39,065
Remaining (unmet) need	4,009	17,562	20,193

EFFECTS OF PROPOSED CHANGES ON AID RECEIVED

	1986-87 (actual)	4-year total	
		Current	Proposed
Pell Grant	$ 850	$ 3,718	$ 2,868
Supplemental Grant	1,187	5,193	0
Perkins Loan	1,500	5,562	0
College Work Study	2,000	8,749	0
Guaranteed Student Loan	2,500	10,912	13,000
Income Contingent Loan	0	0	16,635
State grant	0	0	0
State voucher	0	0	0
Institutional aid	1,500	6,562	6,562
Private aid	0	0	0
Totals	$ 9,537	$40,696	$39,065

EFFECTS OF PROPOSED CHANGES ON DEBT BURDENS

	Current	Proposed
Total loans	$16,474	$29,635
Loans as a percent of total aid	40.5	75.9
Projected total loan repayments:		
High entry salary ($32,639)	$22,839	$50,070
Low entry salary ($17,702)	$22,839	$57,159

MIAMI-DADE JUNIOR COLLEGE STUDENT

STUDENT AND FAMILY CHARACTERISTICS

- o 2-year, public institution
- o Dependent freshman student
- o Family income: $25,440
- o 4 family members, 2 in college
- o Parents' marital status: Divorced

COMPARISON OF NEED AND AID RECEIVED UNDER CURRENT AND PROPOSED PROGRAMS

	1986-87 (actual)	2-year total Current	2-year total Proposed
Cost of school	$ 5,747	$11,839	$11,839
Expected family contribution	1,483	3,055	3,055
Total need	4,264	8,784	8,784
Total student aid	2,945	6,067	6,067
Remaining (unmet) need	1,319	2,717	2,717

EFFECTS OF PROPOSED CHANGES ON AID RECEIVED

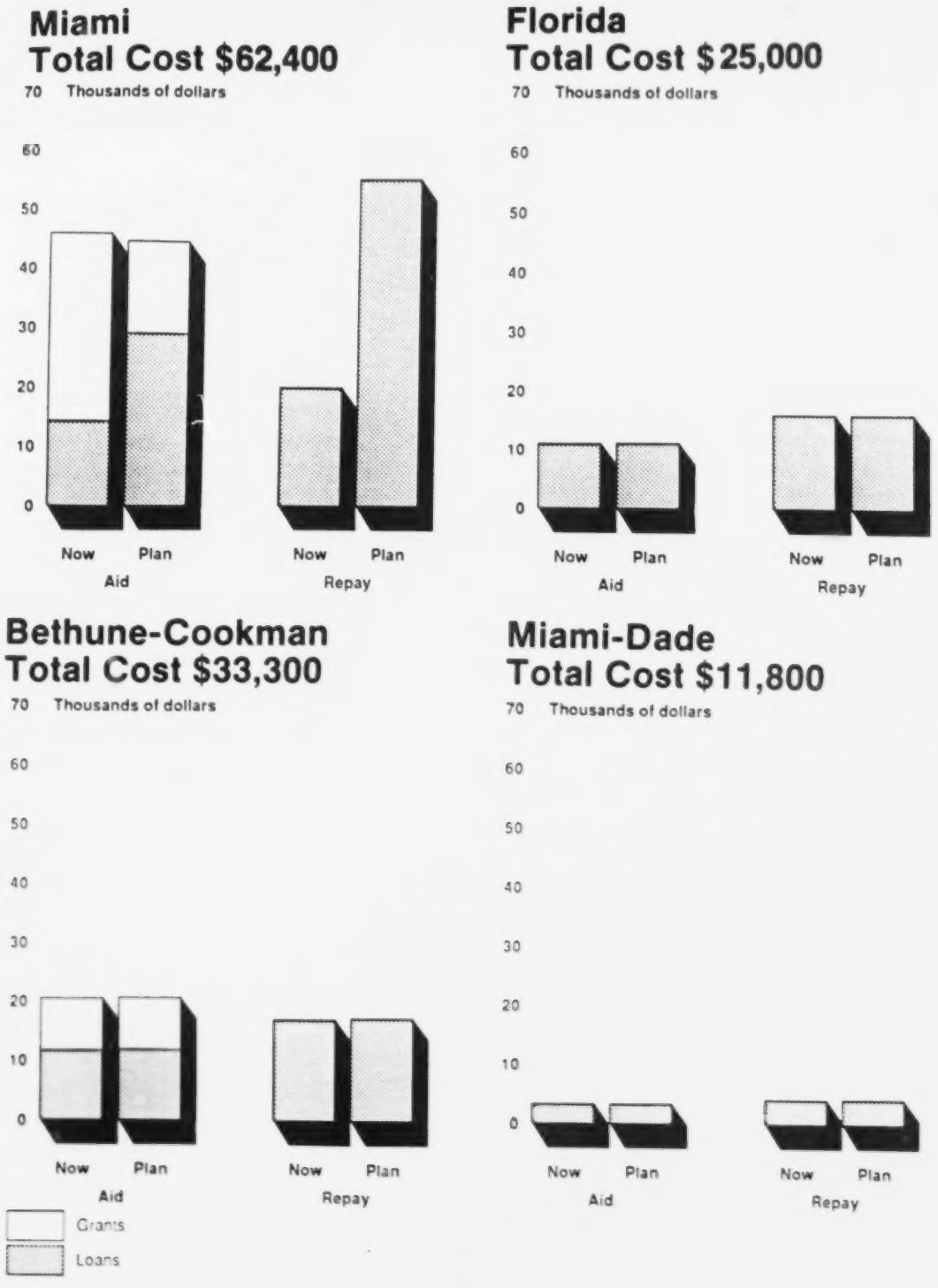
	1986-87 (actual)	2-year total Current	2-year total Proposed
Pell Grant	$ 145	$ 299	$ 154
Supplemental Grant	0	0	0
Perkins Loan	0	0	0
College Work Study	2,800	5,768	0
Guaranteed Student Loan	0	0	5,000
Income Contingent Loan	0	0	913
State grant	0	0	0
State voucher	0	0	0
Institutional aid	0	0	0
Private aid	0	0	0
Totals	$ 2,945	$ 6,067	$ 6,067

EFFECTS OF PROPOSED CHANGES ON DEBT BURDENS

	Current	Proposed
Total loans	0	$ 5,913
Loans as a percent of total aid	0	97.5
Projected total loan repayments:		
High entry salary ($32,639)	0	$ 8,743
Low entry salary ($17,702)	0	$ 8,751

Figure 3:

STUDENT AID & REPAYMENT
FAMILY INCOME: $40,000 TO $45,000



UNIVERSITY OF FLORIDA STUDENT

STUDENT AND FAMILY CHARACTERISTICS

- o 4-year, public institution
- o Dependent freshman student
- o Family income: $42,371
- o 7 family members, 1 in college
- o Parents' marital status: Married

COMPARISON OF NEED AND AID RECEIVED UNDER CURRENT AND PROPOSED PROGRAMS

	1986-87 (actual)	4-year total	
		Current	Proposed
Cost of school	$ 5,720	$25,023	$25,023
Expected family contribution	3,145	13,758	13,758
Total need	2,575	11,265	11,265
Total student aid	2,500	10,912	10,937
Remaining (unmet) need	75	353	328

EFFECTS OF PROPOSED CHANGES ON AID RECEIVED

	1986-87 (actual)	4-year total	
		Current	Proposed
Pell Grant	0	0	0
Supplemental Grant	0	0	0
Perkins Loan	0	0	0
College Work Study	0	0	0
Guaranteed Student Loan	$ 2,500	$ 10,912	$10,937
Income Contingent Loan	0	0	0
State grant	0	0	0
State voucher	0	0	0
Institutional aid	0	0	0
Private aid	0	0	0
Totals	$ 2,500	$10,912	$10,937

EFFECTS OF PROPOSED CHANGES ON DEBT BURDENS

	Current	Proposed
Total loans	$10,912	$10,937
Loans as a percent of total aid	100.0	100.0
Projected total loan repayments:		
High entry salary ($32,639)	$15,887	$15,911
Low entry salary ($17,702)	$15,887	$15,911

BETHUNE-COOKMAN COLLEGE STUDENT

STUDENT AND FAMILY CHARACTERISTICS

- o 4-year, private institution
- o Dependent freshman student
- o Family income: $41,538
- o 5 family members, 3 in college
- o Parents' marital status: Married

COMPARISON OF NEED AND AID RECEIVED UNDER CURRENT AND PROPOSED PROGRAMS

	1986-87 (actual)	4-year total	
		Current	Proposed
Cost of school	$ 7,626	$33,361	$33,361
Expected family contribution	2,820	12,336	12,336
Total need	4,806	21,025	21,025
Total student aid	4,700	20,404	20,561
Remaining (unmet) need	106	621	464

EFFECTS OF PROPOSED CHANGES ON AID RECEIVED

	1986-87 (actual)	4-year total	
		Current	Proposed
Pell Grant	0	0	0
Supplemental Grant	0	0	0
Perkins Loan	0	0	0
College Work Study	0	0	0
Guaranteed Student Loan	$ 2,500	$11,604	$11,479
Income Contingent Loan	0	0	822
State grant	1,200	4,800	4,800
State voucher	1,000	4,000	4,000
Institutional aid	0	0	0
Private aid	0	0	0
Totals	$ 4,700	$20,404	$21,101

EFFECTS OF PROPOSED CHANGES ON DEBT BURDENS

	Current	Proposed
Total loans	$11,604	$12,301
Loans as a percent of total aid	56.9	58.3
Projected total loan repayments:		
High entry salary ($32,639)	$16,894	$17,109
Low entry salary ($17,702)	$16,894	$17,109

UNIVERSITY OF MIAMI STUDENT

STUDENT AND FAMILY CHARACTERISTICS

- o 4-year, private institution
- o Dependent freshman student
- o Family income: $44,868
- o 5 family members, 2 in college
- o Parents' marital status: Married

COMPARISON OF NEED AND AID RECEIVED UNDER CURRENT AND PROPOSED PROGRAMS

	1986-87 (actual)	4-year total	
		Current	Proposed
Cost of school	$14,263	$62,395	$62,395
Expected family contribution	3,724	16,291	16,291
Total need	10,539	46,104	46,104
Total student aid	10,476	45,804	44,561
Remaining (unmet) need	63	300	1,543

EFFECTS OF PROPOSED CHANGES ON AID RECEIVED

	1986-87 (actual)	4-year total	
		Current	Proposed
Pell Grant	0	0	0
Supplemental Grant	$ 1,676	$ 7,332	0
Perkins Loan	750	3,281	0
College Work Study	2,000	8,749	0
Guaranteed Student Loan	2,500	10,912	$ 13,000
Income Contingent Loan	0	0	16,031
State grant	0	0	0
State voucher	0	0	0
Institutional aid	3,550	15,530	15,530
Private aid	0	0	0
Totals	$10,476	$45,804	$44,561

EFFECTS OF PROPOSED CHANGES ON DEBT BURDENS

	Current	Proposed
Total loans	$14,193	$29,031
Loans as a percent of total aid	31.0	65.1
Projected total loan repayments:		
High entry salary ($32,639)	$20,063	$48,812
Low entry salary ($17,702)	$20,063	$55,324

MIAMI-DADE JUNIOR COLLEGE STUDENT

STUDENT AND FAMILY CHARACTERISTICS

- o 2-year, public institution
- o Dependent freshman student
- o Family income: $43,210
- o 6 family members, 3 in college
- o Parents' marital status: Married

COMPARISON OF NEED AND AID RECEIVED UNDER CURRENT AND PROPOSED PROGRAMS

	1986-87 (actual)	2-year total Current	2-year total Proposed
Cost of school	$ 5,748	$11,841	$11,841
Expected family contribution	2,842	5,855	5,855
Total need	2,906	5,986	5,986
Total student aid	1,500	3,090	3,090
Remaining (unmet) need	1,406	2,896	2,896

EFFECTS OF PROPOSED CHANGES ON AID RECEIVED

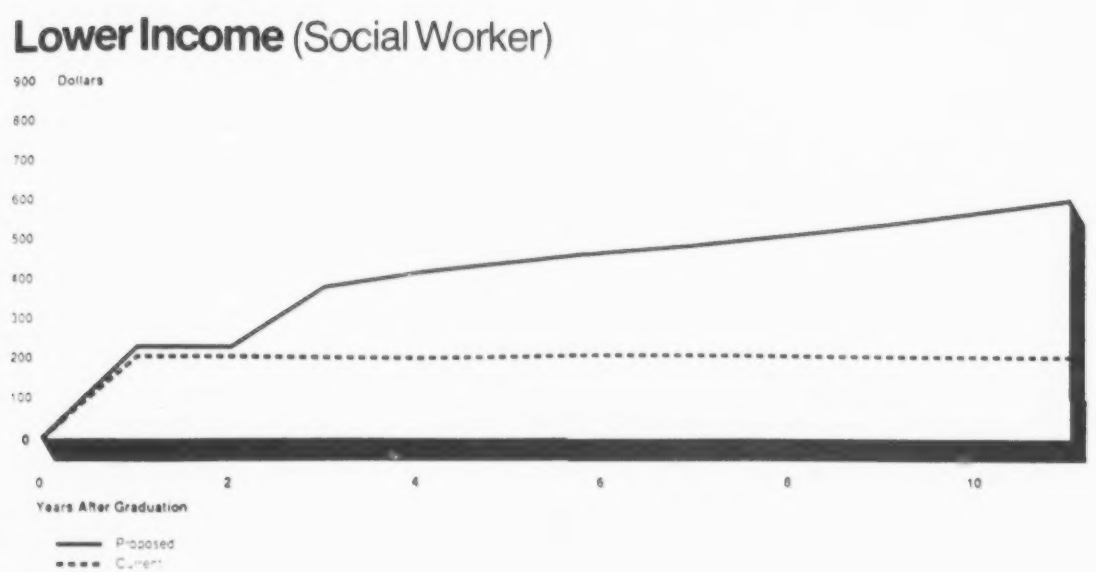
	1986-87 (actual)	2-year total Current	2-year total Proposed
Pell Grant	0	0	0
Supplemental Grant	0	0	0
Perkins Loan	$ 1,500	$ 3,090	0
College Work Study	0	0	0
Guaranteed Student Loan	0	0	$ 3,090
Income Contingent Loan	0	0	0
State grant	0	0	0
State voucher	0	0	0
Institutional aid	0	0	0
Private aid	0	0	0
Totals	$ 1,500	$ 3,090	$ 3,090

EFFECTS OF PROPOSED CHANGES ON DEBT BURDENS

	Current	Proposed
Total loans	$ 3,090	$ 3,090
Loans as a percent of total aid	100.0	100.0
Projected total loan repayments:		
High entry salary ($32,639)	$ 3,933	$ 3,996
Low entry salary ($17,702)	$ 3,933	$ 3,996

Figure 4:

MONTHLY STUDENT LOAN PAYMENTS - MIAMI



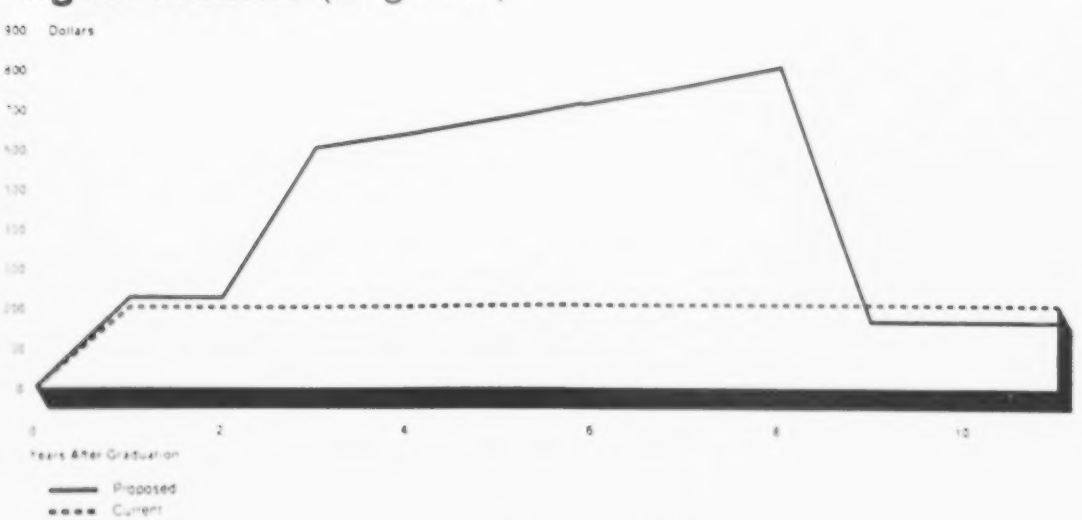
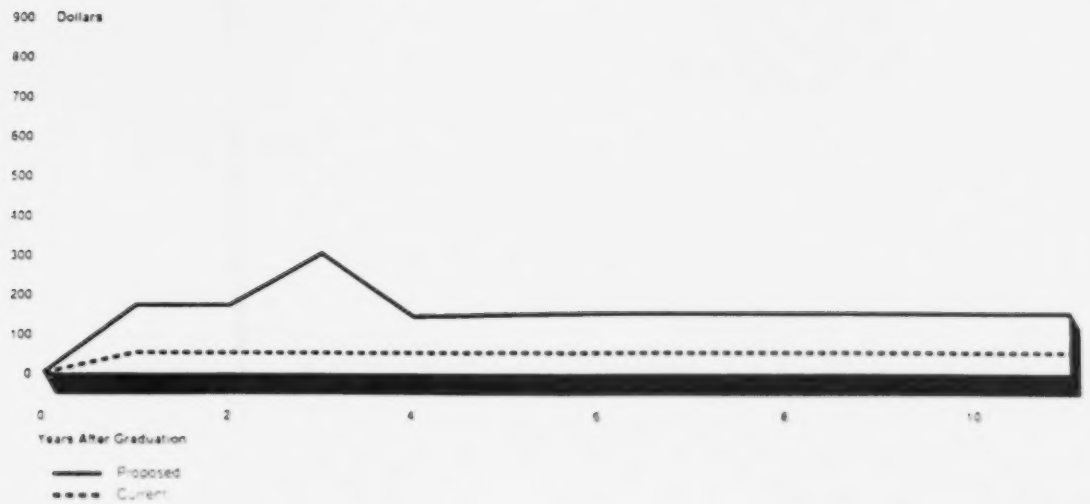


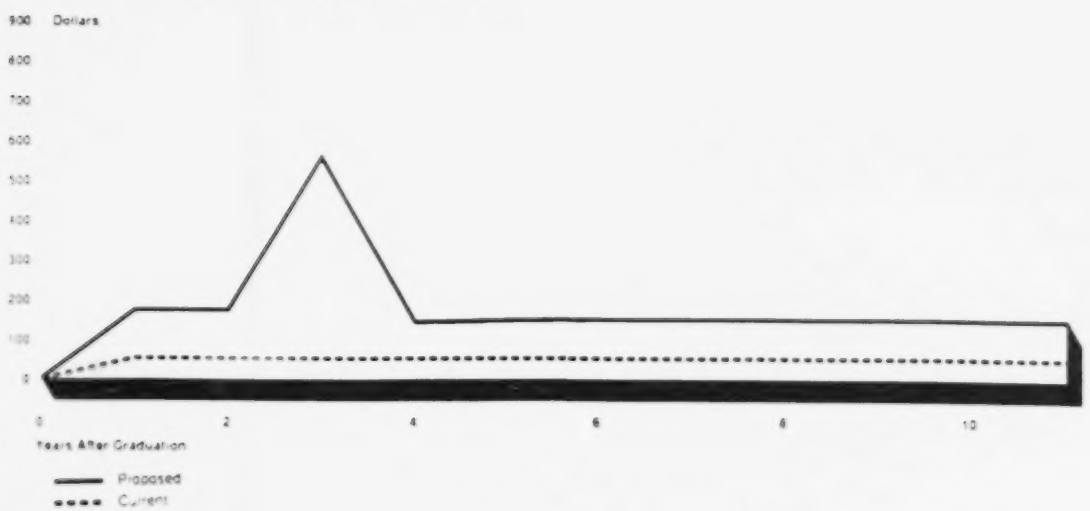
Figure 5:

MONTHLY STUDENT LOAN PAYMENTS - FLORIDA

Lower Income (Social Worker)



Higher Income (Engineer)



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